

EXHIBIT I

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Insituform Technologies
 LANDOVER, MARYLAND
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Insituform
 Technologies, Inc.

Worldwide Pipeline
 Rehabilitation

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January 13, 2004

Mr. Michael J. Hornbrook
 Chief Operating Officer
 Massachusetts Water Resources Authority
 Charlestown Navy Yard
 100 First Avenue
 Boston, MA 02129

Subject: EBBS Project Repairs

Dear Mr. Hornbrook:

I would like to thank you for taking time off from your busy schedule to meet with us on Thursday, January 8. I sincerely appreciate your frank and direct comments concerning the past relationship between the MWRA and Insituform Technologies, Inc. (ITI). As I mentioned during the meeting, a completely new management group is now running ITI, and I trust that in the future you will perceive a different and improved approach to the relationship between our two organizations.

With respect to the current situation of the EBBS project, I would like to assure you of our commitment to an outcome acceptable to the MWRA and its ratepayers. We fully understand your concerns regarding the structural integrity of any solution that we ultimately implement, the service life of the installation, and your requirements relating to hydraulic capacity. After our meeting, and in particular consideration of your comments, I requested that a critical re-evaluation be done of our currently proposed approach to ensure that we have taken into account all the relevant factors that must be considered in such an important decision.

A group of experts from our Landover and St. Louis offices flew to Boston on Friday, January 9, and inspected the pieces of Insituform that have already been removed from a portion of the sewer (shot 6), the methods being proposed for the repairs, and through a TV and actual physical inspection of the pipe, the condition of the remaining portion of the liner in the upstream sections of the EBBS Project. While this is the same group of people that have been involved in the prior technical discussions on this project, this time they were challenged to examine with particular attention the need for replacement of the entire liner, or whether your installation requirements can be met by a combination of spot repairs and replacement of Shot 6.

The group has now reported back to me that the condition of the liner, as evidenced by the above inspections, and the results of the various independent tests conducted earlier in the investigation currently indicate that the liner is structurally sound. We intend to continue this process of critical evaluation as we proceed with the repairs to ensure that

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the entire project meets our requirements and your specifications for structural integrity at its completion.

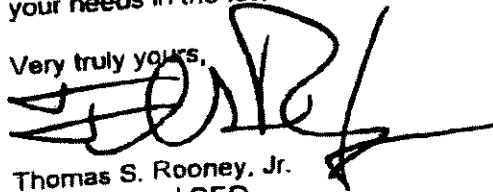
The group has also confirmed to me that the proposed SprayWall repair method, while not having the length of service or repair history of Cured in Place Pipe (CIPP), has to date not experienced any structural problems in any of the manhole projects or where it has been used to repair CIPP liners. ITI has used this product for seven years, and all indications are that it should have a "long" service life. I also understand that this repair procedure is being developed in conjunction with a Massachusetts Professional Engineer with extensive experience in the industry.

In view of the CIPP test results and our experience to date with SprayWall, ITI is prepared to extend the warranty period on the EBBS Project to a full five years, for both the CIPP liner and the spot repairs. We would also be prepared to consider a reasonable form of financial security to ensure the performance of any future repairs, should they become necessary. We trust that this offer indicates to you the seriousness of our current proposal and our confidence on the technical quality of the solution currently under consideration by you.

Finally, we wish to clarify our belief, buttressed by the tests, studies, and analyses that we have performed to date, that replacement of Shot 6 and appropriate spot repairs in the remainder of the liner will meet the MWRA's specifications for this project in an acceptable manner, while resulting in a safer and less disruptive completion than replacement of the entire liner. We believe that as soon as we can agree on an acceptable method for performing spot repairs, we can all move quickly to complete this project.

Once again, I wish to express my appreciation for your time and for the clear feedback that you gave us last week. It will help us become a better company and better serve your needs in the future.

Very truly yours,


Thomas S. Rooney, Jr.
President and CEO

TSR/kw

cc: Jon D'Allessandro